

Without that critical component, the free market system is useless.

Medicare was created in 1965 precisely to address the failure of the markets. It was not profitable to treat our seniors with a free market health insurance solution. The market solution to insuring the elderly was simply not to insure them, because, after all, they get sick too often, and insurance companies would have to pay. If you want to make money in the medical insurance game, you insure young, healthy people, not old people.

Luckily for America's seniors, the Democrats controlled Congress, and we set up Medicare. We valued our elders. And even though the markets wanted to leave them behind, we did not. We protected them, and we treated them with the compassion and the dignity they deserved in their old age.

So why do the Republicans want to privatize Medicare so badly? Do they not remember what happened before Medicare, when we left the health of our aging parents and grandparents to the free markets? Are they so swept up in their blind faith in the market that they believe somehow it will just take care of things, even though we already have tried that and we know that it does not work?

Taking care of the elderly is not profitable, nor should it be. Profit is not always the most important thing. These are the people who reared us. They are the people who took care of us when we got sick. They are the people that taught us right from wrong. The Republican proposal is a slap in the face to our parents and to our grandparents.

Every provision of the Republican bill is designed to be a handout to insurance and prescription drug companies, not to give our seniors a better health care plan. The prescription drug plan laid out is available only through private insurance companies and HMOs. There is no provision, no provision to hold down the prices drug companies can charge. It does not ensure that all seniors will be eligible for this coverage, which has been a hallmark of the Medicare program.

And if that was not bad enough, their proposal would increase seniors' costs for doctors' visits by raising the Part B premium and indexing it to inflation. This provision is included for only one reason, one reason, and that is to move people out of traditional Medicare and to force seniors into managed care plans, into HMOs.

Now, I tried to offer a substitute amendment to this bill that would have provided a real prescription drug benefit for Medicare beneficiaries, but it was ruled out of order by the Committee on Rules, out of order because they did not like it, at 4:00 in the morning, in the dark of night, only hours before we voted on the bill.

My amendment would have provided one simple type of coverage, catastrophic coverage against excessively high drug costs for seniors. There were no premiums. There were no copays.

There was no coverage gap. The crux of the plan defined the out-of-pocket spending limit to 6 percent of the adjusted gross income of the beneficiary, with any additional costs being picked up by Medicare.

My plan provided annual spending targets, which would be guaranteed not to exceed the \$400 billion level that President Bush had set. It also called upon the Secretary to encourage the use of prescription drugs and contractual arrangements with pharmacy benefit managers to help control prescription drug costs.

This idea of bringing down the cost of a drug is in sharp contrast to the outrageous, noninterference clause found in the bill that passed this body 2 weeks ago, designed to ensure that drug companies can charge whatever excess price they want for the drugs they choose.

It is clear to me and to my Democratic colleagues, and it will become clear to America's seniors and their families, where the Republicans' loyalties lie. The story has been the same since the start of the 108th Congress. From homeland security to education, from veterans' benefits to the child tax credit, and now, finally, to health and to the well-being of our parents and grandparents, the Republican message is clear: If you are not a powerful corporation, if you do not give money to Republicans, they do not care about you.

THE MIDDLE EAST

The SPEAKER pro tempore (Mr. GERLACH). Under a previous order of the House, the gentleman from Pennsylvania (Mr. HOFFEL) is recognized for 5 minutes.

Mr. HOFFEL. Mr. Speaker, I rise tonight to address the situation in the Middle East. Our government has embarked on a journey promoting the so-called roadmap to peace, and I sincerely hope that the road we are taking is straight and wide and safe, but I am deeply worried.

I support the concept of the roadmap, and I support the idea of a two-state solution to the Israeli-Palestinian conflict, but I do not believe the timing is right. Neither the Bush administration nor the Israeli Government, under pressure from the Bush administration, has required enough of the Palestinians for us to continue successfully on the road at this time.

Simply put, we need the Palestinians to crack down on terror, and they have not done it. In today's Washington Post it was reported that the administration has reversed years of American policy and decided to provide \$20 million directly to the Palestinian Authority. The amount of money is not huge, but the symbolism is.

The theory behind the policy change has some merit, as it hopefully would strengthen the hand of Prime Minister Abbas. But I believe we must demand and see a much greater commitment

toward peace and the end of terrorism from the Palestinians before we reward them with money or support that could, in fact, be used against the Israeli people.

In my opinion, before we seriously pursue the roadmap and before we send \$20 million to the Palestinian Authority, the Palestinian Authority should take concrete action to arrest terrorist leaders, to confiscate terrorist weapons, to dismantle terrorist organizations, to change the cultural bias that allows anti-Semitism to be taught in the schools and broadcast on radio and TV, and to stop honoring suicide terrorists with public posters and street names.

Until the Palestinian Authority cracks down on terror, the Palestinian cause should not be rewarded with a Palestinian state. We can make progress in the Middle East, we must make progress in the Middle East, but with this progress we must demand effective action from the Palestinians to stop terror. This will protect the innocent as we move down that road to a just and lasting peace in the Middle East.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

(Mr. STRICKLAND addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

(Mr. GREEN of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

(Mr. HINCHEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

HEAD START

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Speaker, tonight I want to discuss one of the best programs in America, a program that is 38 years old and has served the children of America extremely well. This program has been commended, lauded and talked about by Presidents Clinton and Bush, Sr., and even President Ronald Reagan commended the Head Start program.

This program has never served all of the children who need this program. As a matter of fact, we only serve about 60 percent, I believe, of the children who need the Head Start program. We find